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The AGRICULTURAL OUTLOOK DIGEST

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Meat production in November topped the same month a year ago and probably will continue to do so this winter.

Cattle slaughter probably reached a seasonal high in November as farmers increased sales of fed animals and the fall run of grass cattle came later than usual. Calf marketings also reached the fall peak in November. Cattle and calf marketings probably will be at or above a year earlier the next few months.

Hog marketings, now approaching the fall season peak, probably will continue higher than a year earlier this winter and spring. But the increase is expected to be smaller than the 10 percent gain for the first 10 months of 1951.

More lamb and mutton than a year ago is also in prospect for the next few months as more lambs are being fed this winter. Slaughter in November was somewhat below earlier as it has been most of the year.

Hog prices probably will reach a seasonal low in December and then rise for a couple of months. Cattle prices have declined but remain near levels set by ceiling regulations. Prices of sheep and lambs have changed little for several months.

BUSINESS ACTIVITY Spending for defense and for expansion of business plants and equipment connected with the defense effort are about offsetting reductions in non-defense activities. Consumer income, employment and industrial production continue at about the levels of recent months.

PRICES Farmers prices generally have moved upward the last month. Partly responsible were sharp drop in the estimate of cotton production and smaller reductions for some other crops. Seasonal price increases also were registered by several crops and dairy products. On the other hand, meat animals, citrus fruit, corn, chickens and wool declined.

Net effect of these changes was to boost the index of prices received by farmers about 2 percent from mid-October to mid-November.

Prices paid by farmers, including interest, taxes and wage rates rose slightly to a new record in mid-November. Since prices received advanced more, the parity ratio went up from 105 to 106.

The BLS wholesale price index continued stable in recent weeks.

DAIRY PRODUCTS Milk output will soon begin to rise seasonally. Demand for dairy products is strong and storage stocks are being reduced substantially.

Prices of manufactured dairy products have been unusually stable so far this year with only butter and cheese increasing seasonally this fall. Prices to farmers for whole milk and butterfat have advanced more than seasonally this fall; may go up further before the seasonal drop begins.

EGGS AND POULTRY Egg prices this fall have been more stable than usual for the period. Seasonal increases in production are, or soon will be, underway and prices probably will decline.

Turkey prices before Thanksgiving were higher than a year earlier, averaging 37.9 cents in mid-November compared with 32.6 in the same month of 1950. Chicken prices in November were at the lowest level of 1951.

FATS AND OILS Strong demand for oilseed meals was largely responsible for a general rise in prices to farmers for oilseeds from mid-October to mid-November. On the other hand, the index of wholesale prices of 26 major fats and oils declined from October to November. Lard, cottonseed, soybean oils and soap fats were down 5 to 15 percent. On the other hand, prices of drying oils advanced.

FEEDS Feed grain prices have advanced in recent months and in November, were above supports. By-product feeds also have gone up with most of the oilseed meals reaching the ceilings.

WHEAT Wheat prices rose above loan levels earlier than usual this season. Most of the strength results from large exports and unfavorable harvesting conditions in exporting countries.

FRUIT Stocks of apples were a fourth lower at the end of October than a year earlier. This points to rising prices after the first of the year.

Citrus supplies are increasing seasonally. The crop of early and mid-season oranges from Florida is large and prices have dropped below a year earlier. Further declines are expected after January 1. The grapefruit crop is well below last year and average. Seasonal declines are likely after 1952 begins.

VEGETABLES Prices of fresh vegetables have been higher than a year earlier each month so far this year; probably will be higher again in December. Production this fall has totaled 10 percent below a year earlier though above average.

With demand stronger, retail prices of major canned vegetables are slightly higher than a year ago. Prices are expected to stay at about current levels in early 1952.

As prospects for the potato crop declined during the growing season, prices have risen steadily. The mid-November farm price was 95 percent of parity; a year earlier it was 49 percent.

COTTON The supply of cotton in the U. S. for 1951-52 is expected to be about 18.1 million running bales. The carryover next August probably will not be much different than the 2.2 million bales a year earlier.

Cotton prices moved up sharply in November following the reduction in the estimate of the 1951 crop. The 10 spot market average for middling 15/16 inch was 42.49 cents per pound on November 29. Average price received by farmers in mid-November was 41 cents.

WOOL Less wool than in 1950 has been consumed by U. S. mills this year. Apparel wool consumption in the first 9 months of 1951 used 9 percent less and carpet wool consumption 45 percent less than in the same period of 1950. Rayon used in spinning carpet yarns in the first 8 months of 1951 represented 20 percent of all fiber consumed compared with only 3 percent last year.

In late September, U. S. wool prices at Boston reached the lowest point in the decline that began last March. Prices have advanced slightly since then.

TOBACCO Burley auctions began November 27 and prices for the first 2 days' sales averaged 54½ cents per pound, about 10 percent higher than a year ago. Demand is expected to continue strong because of record cigarette manufacture in prospect.

